



BILLING CODE: 4810-AM-P

BUREAU OF CONSUMER FINANCIAL PROTECTION

12 CFR Part 1003

Docket No. CFPB-2011-0020

RIN 3170-AA06

Home Mortgage Disclosure (Regulation C)

AGENCY: Bureau of Consumer Financial Protection.

ACTION: Final rule; official commentary.

SUMMARY: The Bureau of Consumer Financial Protection (Bureau) is publishing a final rule amending the official commentary that interprets the requirements of Regulation C (Home Mortgage Disclosure) to reflect a change in the asset-size exemption threshold for depository institutions based on the annual percentage change in the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W). The exemption threshold has been adjusted to increase to \$41 million from \$40 million. The adjustment is based on the 3.43 percent increase in the average of the CPI-W for the twelve-month period ending in November 2011. Therefore, depository institutions with assets of \$41 million or less as of December 31, 2011 are exempt from collecting data in 2012.

DATES: Effective [INSERT DATE OF PUBLICATION IN FEDERAL REGISTER].

FOR FURTHER INFORMATION CONTACT: Jennifer Diamantis, Senior Counsel, Office of Regulations, at (202) 435-7700.

SUPPLEMENTARY INFORMATION: The Home Mortgage Disclosure Act of 1975, as amended (HMDA; 12 U.S.C. 2801 *et seq.*) requires most mortgage lenders located in metropolitan areas to collect data about their housing-related lending activity. Annually, lenders

must report those data to the appropriate federal agencies and make the data available to the public. The Bureau's Regulation C, 12 CFR part 1003, implements HMDA.

Prior to 1997, HMDA exempted depository institutions with assets totaling \$10 million or less, as of the preceding year-end. Provisions of the Economic Growth and Regulatory Paperwork Reduction Act of 1996, 12 U.S.C. 2808(b), amended HMDA to expand the asset-size exemption for depository institutions. The statutory amendment increased the dollar amount of the asset-size exemption threshold by requiring a one-time adjustment of the \$10 million figure based on the percentage by which the CPI-W for 1996 exceeded the CPI-W for 1975, and it provided for annual adjustments thereafter based on the annual percentage increase in the CPI-W, rounded to the nearest multiple of one million dollars.

The definition of "financial institution" in Regulation C provides that the Bureau will adjust the asset threshold based on the year-to-year change in the average of the CPI-W, not seasonally adjusted, for each twelve month period ending in November, rounded to the nearest million. 12 CFR 1003.2. For 2011, the threshold was \$40 million. During the twelve-month period ending in November 2011, the CPI-W increased by 3.43 percent. As a result, the exemption threshold is increased to \$41 million. Thus, depository institutions with assets of \$41 million or less as of December 31, 2011 are exempt from collecting data in 2012. An institution's exemption from collecting data in 2012 does not affect its responsibility to report data it was required to collect in 2011.

Final Rule

Under the Administrative Procedure Act, notice and opportunity for public comment are not required if the Bureau finds that notice and public comment are impracticable, unnecessary, or contrary to the public interest. 5 U.S.C. 553(b)(B). Comment 2(Financial institution)-2 is

amended to update the exemption threshold. The amendment in this notice is technical and non-discretionary, and it merely applies the formula established by Regulation C for determining any adjustments to the exemption threshold. For these reasons, the Bureau has determined that publishing a notice of proposed rulemaking and providing opportunity for public comment are unnecessary. Therefore, the amendment is adopted in final form.

List of Subjects in 12 CFR Part 1003

Banks, Banking, Credit unions, Mortgages, National banks, Savings associations, Reporting and recordkeeping requirements.

Authority and Issuance

For the reasons set forth in the preamble, the Bureau of Consumer Financial Protection amends 12 CFR Part 1003 as follows:

PART 1003—HOME MORTGAGE DISCLOSURE (REGULATION C)

1. The authority citation for part 1003 continues to read as follows:

Authority: 12 U.S.C. 2803, 2804, 2805, 5512, 5581.

2. In Appendix B to part 1003, Supplement I to part 1003, under Section 1003.2—Definitions, Financial institution, paragraph 2 is revised to read as follows:

Appendix B to Part 1003—Form and Instructions for Data Collection on Ethnicity, Race, and Sex

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Supplement I to Part 1003—Staff Commentary

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Section 1003.2—Definitions

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Financial institution.

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2. Adjustment of exemption threshold for depository institutions. For data collection in 2012, the asset-size exemption threshold is \$41 million. Depository institutions with assets at or below \$41 million as of December 31, 2011 are exempt from collecting data for 2012.

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Dated: February 3, 2012.

Richard Cordray

Director, Consumer Financial Protection Bureau.

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